APPENDIX A

Natural Gas Act, 15 U.S.C. §§ 717, *et seq.*:

§ 717 NECESSITY OF REGULATION OF NATURAL-GAS COMPANIES

* * *

Section 1. (b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas. [52 Stat. 821 (1938); 15 U.S.C. § 717 (b)]

* * *

§ 717c RATES AND CHARGES: SCHEDULES: SUSPENSION OF NEW RATES

* * *

Section 4. (b) No natural-gas company shall, with respect to any transportation or sale of natural gas subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

* * *

§ 717f EXTENSION OF FACILITIES: ABANDONMENT OF SERVICE

* * *

Section 7. (a) Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: *Provided,* That the Commission shall have no authority to compel the enlargement of transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers. [52 Stat. 824 (1938); 15 U.S.C. § 717f(a)]

(b) No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity

permit such abandonment. [52 Stat. 824 (1938); 15 U.S.C. §717f(b)]

(c) No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations: *Provided,* however, That if any such natural-gas company or predecessor in interest was bona fide engaged in transportation or sale of natural gas, subject to the jurisdiction of the Commission, on the effective date of this amendatory Act, over the route or routes or within the area for which application is made and has so operated since that time, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within ninety days after the effective date of this amendatory Act. Pending the determination of any such application, the continuance of such operation shall be lawful.

In all other cases the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission; and the application shall be decided in accordance with the procedure provided in subsection (e) of this section and such certifi-

cate shall be issued or denied accordingly: *Provided, however,* That the Commission may issue a temporary certificate in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this section temporary acts or operations for which the issuance of a certificate will not be required in the public interest. [52 Stat. 825 (1938), as amended, 56 Stat. 83 (1942); 15 U.S.C. §717f(c)]

* * *

(e) Except in the cases governed by the provisos contained in subsection (c) of this section, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation, sale, service, construction, extension, or acquisition covered by the application, if it is found that the applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Act and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, sale, operation, construction, extension, or acquisition, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied. The Commission shall have the power to attach to the issuance of the certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require. [56 Stat. 84 (1942); 15 U.S.C. §717f(e)]

* * *

ADMINISTRATION POWERS OF COMMISSION; RULES, REGULATIONS AND ORDERS

Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours. [52 Stat. 830 (1938); 15 U.S.C. §717o]

* * *

§ 717u JURISDICTION OF OFFENSES; ENFORCEMENT OF LIABILITIES AND DUTIES

Section 22. The District Courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this Act or the rules, regulations, and orders thereunder, and of all suits in equity and actions at law, brought to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, or order thereunder. Any criminal proceeding shall be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, or order thereunder may be brought in any such district or in the district wherein the defendant is an inhabitant, and process in such cases may be served wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in [former] sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347). No costs shall be assessed against the Commission in any judicial proceeding by or against the Commission under this act. [52 Stat. 833 (1938); 15 U.S.C. §717u]

APPENDIX B

Comparison of Curtailment Provisions of United's FPC Gas Tariff in Effect Until November 14, 1971 and United-Monsanto Contract

United Gas Pipe Line Company
FPC Gas Tariff
First Revised Volume No. 1
General Terms and Conditions
Original Sheet No. 71, First Revised Sheet No. 72

"12. IMPAIRMENT OF DELIVERIES

12.1 *Proration of Impaired Deliveries*—Seller delivers gas to (a) gas utilities, and pipeline companies which deliver gas to gas utilities, for resale to domestic and industrial consumers, (b) steam electric power plants for use in generating electricity which is sold to domestic consumers, and (c) industrial consumers. In the event a shortage of gas renders Seller unable to supply the full gas requirements of all of its consumers, then, Seller may, without liability to Buyer, prorate its gas supply in the manner hereinafter set forth after first making allowance for all gas required by Seller for the operation of any of its facilities. The gas requirements of gas utilities, and pipe line companies delivering gas to gas utilities, which sell gas to domestic consumers (but only to the extent of gas required for resale to such domestic consumers) shall first be supplied by Seller. If Seller is unable to supply gas for all the requirements of such gas utilities and pipe line companies delivering gas to gas utilities, for resale to domestic consumers, then gas for such requirements shall be supplied ratably. In the event Seller is able to supply gas for all the requirements of such gas utilities, and pipe line companies delivering gas to gas utilities, for

resale to domestic consumers, then there shall next be supplied the gas requirements of steam electric power plants using gas for the generation of electricity which is sold to domestic consumers, whether such power plants purchase their requirements from Seller or from gas utilities or from pipe line companies, purchasing their requirements from Seller; and, if Seller does not have sufficient gas to supply all of the requirements of said power plants, then said requirements shall be supplied ratably. After the above requirements have been supplied, the remaining gas supply, if any, shall be prorated by Seller among its other customers, to the extent of gas sold by them to their other consumers. In the event of any shortage of gas as in this Section provided, Buyer shall discontinue service of gas to its consumers during the period of any such shortage to the extent which may be necessary consistent to the provisions hereof.

In certain instances, Seller supplies less than the full requirements of certain of its customers, and there may be times when Seller supplies less than the full requirements of Buyer hereunder and it is the intent of this Section that any priority granted hereunder shall run only to that part of the requirements of each ultimate consumer as is being currently supplied by gas furnished by Seller, directly or indirectly."

United-Monsanto Contract
Article IX

"IMPAIRMENT OF DELIVERIES

Buyer specifically recognizes the fact that Seller delivers gas to gas utilities for resale to domestic consumers and to public utility power plants for generation of electricity which is sold to domestic consumers. In the event a shortage of gas renders Seller unable to supply the full gas requirements of all its consumers, then it is mutually agreed that the gas requirements of gas utilities selling gas to domestic consumers and public utility power plants using gas for generation of electricity which is sold to domestic consumers shall first be supplied by Seller, and the remaining available gas shall be prorated by Seller among its other contract consumers, including Buyer."

Exhibit No. 6
FPC Docket No. RP71-29
Witness: C. C. Barnett
Exhibit No. 6

APPENDIX C

UNITED GAS PIPE LINE COMPANY
SUMMARY OF RESERVES AT END OF EACH YEAR 1948-1969

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Gas Reserves - M^3cf					
		Less				
Year	Added	Withdrawals	Contracts Terminated	Balance	Life Index-Years Col 4÷Col 2	Pennzoil Producing Co. Included in (2) and (4) Withdrawals	Balance
1947				14,830			
1948	994	512		15,312	29.9		
1949	357	539		15,130	28.07		
1950	6,395	622		20,903	33.61	158,011	3,846,458
1951	2,049	727		22,225	30.57	191,763	3,676,641
1952	2,178	869		23,534	27.08	206,302	3,743,992
1953	1,348	1,050		23,832	22.70	231,761	3,584,372
1954	2,545	1,106		25,271	22.85	221,900	3,865,073
1955	679	1,165		24,785	21.27	218,033	3,855,357
1956	1,116	1,261		24,640	19.54	223,781	3,724,745
1957	2,276	1,274		25,642	20.13	208,860	3,618,086
1958	3,227	1,302		27,567	21.17	206,472	3,435,911
1959	1,376	1,353		27,890	20.61	188,454	2,700,056
1960	641	1,350		27,181	20.13	184,328	2,582,564
1961	592	1,275		26,498	20.78	145,780	2,538,182
1962	1,067	1,302		26,263	20.17	137,814	2,542,356
1963	597	1,389	29	25,442	18.32	140,735	2,273,691
1964	940	1,468	796	24,118	16.43	148,120	2,190,028
1965	99	1,325	1,593	21,299	16.07	141,177	2,121,590
1966	1,338	1,387	1,674	19,576	14.11	144,138	2,144,270
1967	1,737	1,453	361	19,497	13.42	149,850	2,088,288
1968	(81)	1,523	134	17,759	11.66	146,534	1,782,649
1969	4,848	1,655		20,952 (1)	12.66	168,399	1,581,915
Total 1948-1969	36,618	25,907	4,589				
1969				(5,442) (2)			
1969				15,510 (3)			

(1) United Gas Pipe Line Company, including Pennzoil Pipeline Company

(2) Transfer to Pennzoil Pipeline Company

(3) United Gas Pipe Line Company, after transfer of Pennzoil Pipeline Company

UNITED GAS PIPE LINE COMPANY

Comparison of anticipated gas deficiencies shown on Form No. 15 reports filed with the Federal Power Commission with anticipated deficits shown on contemporaneous "in-house" reports

(Volumes in Mcf)

Date of Report	Type of Report	Year of first anticipated deficit	Volume of anticipated deficit
May 1968	In-House study	1968-1969	70,010 daily
September 1968	" "	1968-1969	24,425 daily
October 1968	" "	1968-1969	90,777 daily
12/31/68	Form No. 15	1974	165,371,000 annual
May 1969	In-House study	1969-1970[1/]	367,390 daily
September 1969	" "	1969-1970[1/]	173,339 daily
January 6, 1970	" "	1969-1970[1/]	176,119 daily
12/31/69	Form No. 15	1974	69,367,000 annual
September 1970	In-House study	1970-1971[2/]	719,274 daily
November 1970	" "	1970-1971[2/]	697,260 daily
12/31/70	Form No. 15	---[3/]	----- annual[3/]

1/ United actually curtailed firm service on its system in January and February 1970.

2/ United began its current curtailment of firm service program on November 1, 1970.

3/ Not available, 3/15/71.

11a

APPENDIX D.
Exhibit No. 30

Docket No. RP71-29
Exhibit No. 30

APPENDIX E

Exhibit No. 45

Docket No. RP71-2
Exhibit No. 45

UNITED GAS PIPE LINE COMPANY

New and Additional Firm Service:

	Page
Initiated After November 1, 1969	1
Initiated Between May 1968 and October 31, 1969	2

UNITED GAS PIPE LINE COMPANY

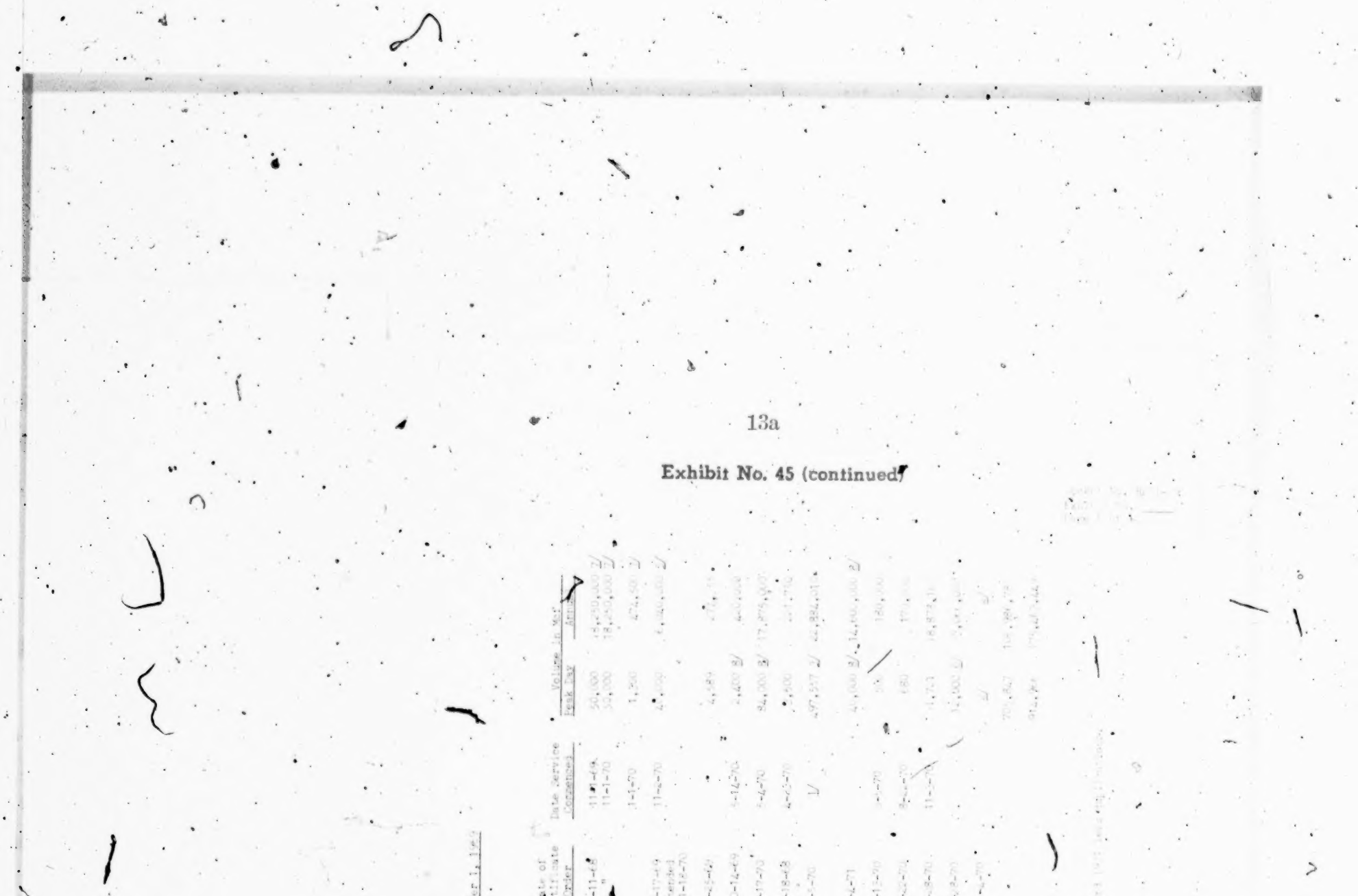
New and Additional Firm Service Initiated After Nove

(Mcf at 14.73 psia)

Customer	Location	Docket No.
Texas Gas Transmission Corporation	Monroe, La.	CP68-14
" " " "	" "	"
Stauffer Chemical Co.	LeMoyne, Ala.	G-13142
Mid-Louisiana Gas Co.	Fowler, La. or Baton Rouge, La.	CP70-341
Budget Application		CP70-43
Georgia-Pacific Corp.	Taylorville, Miss.	CP70-44
Gulf Power Co. - Crist Plant 4/	Near Pensacola, Fla.	CP70-109
City of Chireno, Texas	Chireno, Texas	CP68-199
Existing Distribution Companies & Direct Industrials	Shreveport, La. & Jackson, Miss. Divisions	CP70-148
Mid-Louisiana Gas Co.	So. Louisiana	CP71-141
Georgia-Pacific Corp.	Goss, Miss.	CP70-169
Louisiana Plywood Corp.	Wyatt, La.	CP70-225
Mississippi River Transmission Corp.	Near Monroe, La.	CP70-278
Escambia Chemical Corp.		CP70-297
Budget application		CP71-34
Total after November 1, 1968 (Total page 1)		
Total after May 1968 (Total pages 1 and 2)		

1/ Not furnished in record--construction commenced 9-11-70.
2/ Not available.
3/ Represents increase in market requirements for the Shreveport and Jackson Areas between 19
4/ March 1 through October 31 for years 1970 and 1971 only.
5/ 40,300 Mcf per day for 151 days. (Periods 11-2-69 to 3-31-70 & 11-1-70 to 3-31-71.)
6/ Only 6,000 Mcf included in totals.
7/ Based on 100% Load Factor.
8/ Not included in totals.

Exhibit No. 45 (continued)



UNITED GAS PIPE

New and Additional Firm Service Initiated

(Mcf at 14.7

Customer	Location
Courtalds North America, Inc.	Salco, Ala.
Cities Service Oil Co.	Lake Charles, La.
Mississippi Power Co.	Gulfport, Miss.
Texas Gas Transmission Corporation	Monroe, La.
City of Gary, Texas	Panola County, Tex.
Mississippi River Transmission Corp.	Monroe Field, La.
Prairie Aggregate Corp.	Wharton County, Tex.
Southland Oil Co.	Jasper County, Miss.
Humble Oil & Refining Co.	Iberia Parish, La.
City of Reklaw, Texas	
Budget application	
Total between May 1968 and October 31, 1969	

1/ Temporary authorization granted to begin deliveries.
2/ Based on 100% Load Factor.
3/ Effective date as shown on Ex. 15, page 4.
4/ Third year estimate.
5/ Fifth year estimate.
6/ Contract expires 9-1-72.

AR COMPANY

etween May 1968 and October 21, 1969

gsia)

Docket No.	Date of Certificate Order	Date Service Commenced	Volume in Mcf (peak day	Annual)
G-13140		6-1-69 1/	4,000	
"		6-1-69 1/		
		5-1-69 1/		
CP68-14	3-11-68	11-1-68		
CP68-104	1-23-68	1-1-68		
CP68-222	Final Order 4-24-69	11-1-68 1/		
CP68-277	4-4-68	4-17-68		
CP68-277	4-4-68	4-17-68		
CP68-300	4-26-68	7-1-68		
CP69-298	7-22-69	10-6-69		
CP69-38	10-21-68	"		
			209,119	68,476,669

Exhibit No. 45 (continued)

14a

Docket No. RP71-[illegible]
Exhibit No. ____
Page ___ of ___

APPENDIX F

Exhibit No. 61

INTEROFFICE CORRESPONDENCE
SHREVEPORT, LOUISIANA

November 11, 1969 Noted C.W.H.

Mr. John C. Nelson
Room 708
BUILDING

Dear Mr. Nelson:

In re: Gas Supply Situation
1969-70 Winter Heating Season

Yesterday and again today, meetings were held to discuss plans for curtailing customers during the 1969-70 heating season.

We are advised that we are faced with a shortage of approximately 500,000 Mcf per day total, distributed generally by three areas as follows:

Jackson and Mobile	150,000 Mcf
Houston-Beaumont Intrastate System (Pennzoil Pipeline Company)	110,000 Mcf
Shreveport and Monroe Area	240,000 Mcf

The Houston-Beaumont Intrastate shortage is predicated on no gas moving south from Goodrich and no gas being taken from Texas Eastern at Beaumont.

The estimated volume deficiency is based on the following mean temperatures in various cities:

Shreveport	20°
Beaumont	24°
Houston	24°
Jackson	20°
Lafayette	25°
New Orleans	32°

Exhibit No. 61 (continued)

Monroe	19°
Tyler	18°
Mobile	28°

Mr. Prudhomme mentioned that some curtailments will probably have to be made before these temperatures are reached.

As of today, we are taking approximately 109,000 Mcf per day out of Bistineau Storage, and during a recent cool spell withdrawals reached approximately 350,000 Mcf per day.

Three customers are now taking over their contract volumes as follows:

Pure Oil Company at Smiths Bluff Refinery
5,000 Mcf per day

Gulf Oil Company at Port Arthur
20,000 to 25,000 Mcf per day

International Paper Company at Mobile
6,000 to 8,000 Mcf per day

Consideration was given to requesting these three customers to cut back to contract, however, there was a question in the minds of the group as to whether or not we want to take this action with Gulf Oil. Additionally, it is Mr. Prudhomme's opinion that cutting back International Paper at Mobile will not help the Bistineau Storage situation. In all likelihood, we will have them cut back before too long.

As you know, the exactly correct operation of the Impairment of Deliveries provision in our contracts has not been precisely determined. One problem is that the Impairment of Deliveries provision in the direct industrial sales con-

Exhibit No. 61 (continued)

Tariff does not mention our sales to pipeline customers and does not assign them any order of priority. The Federal Power Commission Tariff at which our sales to pipeline customers and to FPC jurisdictional city gate customers does assign deliveries to the pipeline customers in order of priority.

Subject to this variation, it is the opinion of Mr. W. W. Brown that we have the right to curtail rateably as one group the following:

Direct industrial customers.

Pipeline customers to the extent of volumes sold by them to industrial customers and volumes sold by their distributors to industrial customers.

Power plants to the extent of the volumes generating electricity for their direct industrial customers.

Distributors to the extent of the volumes they sell to their industrial customers.

The requirements of distributors other than for their industrial sales definitely have top priority or first call for their requirements.

We have customarily curtailed our direct industrial customers first, then the pipeline customers, then our power plant customers and in rare instances at particular locations have requested our distributor customers to curtail their industrial customers.

Mr. Prudhomme states that generally when faced with a shortage of a large volume of gas, little is accomplished by curtailing direct industrial customers rateably and especially those taking less than about 5,000 Mcf per day. We make progress when we curtail power plant customers that can burn fuel oil or get the pipeline customers to reduce their takes from us.

Exhibit No. 61 (continued)

Mr. Prudhomme would like for us to give him a list of customers by areas that he can call on to cut back on some fairly uniform basis when a shortage begins to develop.

It must be borne in mind that if we curtail power plant customers to the extent of the full volume of their sales of electricity to industrial customers, and the fuel supply of those customers is also curtailed, the result may well be a widespread shutting-down of plants all over our system and a tremendous economic and political impact, not to mention that in the case of some power plants we are obligated to pay for substitute fuel. Some of the other power plants are not equipped to burn any appreciable volume of substitute fuel nor do they have it on hand.

It is my understanding that there will be a supply meeting here Friday and as I may not be here I am giving you this information in advance of the meeting. It seems to me that some policy decisions must be made outside of contract provisions before we can give Mr. Prudhomme the lists he would like to have to govern curtailments.

Sincerely,

Original Signed
V. S. BRENNAN
V. S. Brennan

VSB:vh

cc: Mr. W. W. Brown
Mr. J. B. Clopton
Mr. J. H. Echterhoff
Mr. H. W. Eiser, Jr.
Mr. R. U. Haslanger
Mr. C. W. Hollenshead
Mr. L. C. Poindexter
Mr. H. M. Prudhomme
Mr. G. A. Sanders

APPENDIX G

4616

U.G.P. Co.
Average Day Requirements
M.M.C.F./DAY for 1972 Data

	Actual * January 1971	Actual ** January 1971	Estimated January 1972
Industrials	730	639	773
Power Plants	753	729	724
Page Penn	2114	2012	2129
Libby Butte	901	892	1110
Penn supply fuck	—		10
Compressor use and unaccounted for	32	32	32
	4530	4304	4881

* Total requirements (including curtailed volumes).

** Demand supplied (without curtailed volumes).